

CHARLES A. TINDLEY ACCELERATED SCHOOL

2011-2012 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	The school presents significant concerns in no more than <u>one</u> of the following areas: a) its state financial audits (e.g., presence of “significant findings”); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor’s Office.

2011-12 Performance: Meets Standard

A) The School’s Financial Audits (e.g. presence of “significant findings”)

Charles A. Tindley Accelerated School (CTAS) had no material weaknesses in their audit. The school did, however, have two significant deficiencies. Due to the presence of these findings, our office has concerns in this area. The auditors, Crowe Horwath, highlighted the following:

- 1) Management oversight of outsourced bookkeepers:** The auditors stated, “Journal entries and account reconciliations are performed by the outsourced bookkeeping firm and reviewed internally by the bookkeeping firm; however, there is not a review from School management”. The auditors went on to recommend that the school periodically complete an in-depth review of the bookkeeping firm’s work.

The school addressed has addressed this concern. Financial information, including journal entries and account reconciliations are reviewed in detail by management on a monthly basis. All vouchers, deposits and inter-school transfer documents are reviewed and signed off by the Treasurer. The financial statements are presented to the Board of Directors, and they sign off on the financial statements and Vendor voucher reports by school in the Board meetings and these actions are recorded in the board minutes. The newly hired controller maintains oversight on the outsourced bookkeepers. The controller’s responsibilities include the review and approval of the monthly journal entries and accounts reconciliation. An updated procedure will be implemented no later than June 30, 2013.

- 2) **Preparation of an accurate schedule of expenditures of federal awards:** The auditors stated, “The auditee provided to the auditor a list of federal awards with missing Catalog of Federal Domestic Assistance (CFDA) numbers. As a result, it was not possible to obtain accurate cluster or program information from the original SEFA [Schedule of Expenditures of Federal Awards]”. The auditors went on to recommend that the school keeps a list of grant documents to check the accuracy of CFDA numbers and to verify that federal requirements have been satisfied.

It is important to note that the Catalog of Federal Domestic Assistance (CFDA) numbers and the Schedule of Expenditures of Federal Awards (SEFA) numbers were ultimately provided to and used by the auditors. The Chief Operating Officer and the Controller are primarily responsible for the oversight of the preparation of the SEFA. An updated procedure will be implemented no later than June 30, 2013.

Given that the auditors noted the significant deficiencies above, we will continue to work with the school to ensure they are addressing these areas.

B) The School’s Financial Staffing and Systems

For 2011-12 school year, the school’s staff included the Chief Operating Officer and a contract accountant. The Contract accountant was hired as the Director of Accounting in 2012. This position is responsible for the processing of repetitive accounting transactions such as vendor payments, customer deposits and textbook management, etc. The school contracts with an accounting firm for the preparation of financial statements. A Controller was hired in 2013 to directly manage all accounting functions, including general accounting, budgeting, projections and analysis, accounts payable, accounts receivable as well as detailed reporting to senior leadership and the board of directors.

C) The School’s Success in Achieving a Balanced Budget Over the Past Three Years

Our office has no significant concerns in this area at this time. The school has a history of generating a positive change in net assets. For FY ’12, the school had a change in net assets of \$740,051. The ending balance for the year was \$1,656,896. The ending balance for the previous year, FY ’11, was \$916,845. The school’s change in net assets for FY ’10 was \$144,599.87. This indicates that the school has been able to make sure that expenses do not outpace revenues.

D) The Adequacy of the School's Projections of Revenues for the Next Three Years

The school has provided budget projections for the next 3 years. The chart below indicates the anticipated net income and ending balances for the coming years.

Years	Net Income	Ending Balance
FY '13	\$135,928	\$357,690
FY '14	\$103,299	\$460,998
FY '15	\$6,180	\$467,169

Given that the net income projections for the next 3 years are positive; our office does not have any major concerns at this time. We have, however, noted that there is a downward trend in the projections. The school has explained that this trend is the result of its plans to expand its network in coming years to include an additional middle school and elementary school. As a result of this growth plan, Tindley Accelerated, the network's high school, will operate much closer to a break even during the initial phases of the new schools.

E) The School's Fulfillment of Financial Reporting Requirements under Sections 10 and 17 of the Charter Agreement

The school has fulfilled financial reporting requirements under Sections 10 and 17 of the charter agreement.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

2011-12 Performance: Exceeds Standard

Charles A. Tindley Accelerated School exceeds its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2011-12	400	491	0%

***Source:** Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.*

The 2011-12 attendance rate at CTAS was less than the state average.

	CTAS	MC	IN
2011-12 Attendance rate	95.66%	96.06%	96.1%

No targets have been established for student retention rates for CTAS.

Based on the 2011-12 performance, the school is approaching the Mayor's Office standard for this indicator because they were fully enrolled but had an attendance rate slightly lower than that of the state.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The school's board a) contributes a broad skill set and is reflective of the community; b) is knowledgeable about the school and able to make decisions in a timely fashion; c) has policies and by-laws that are consistently followed, regularly reviewed, and include clearly defined roles and responsibilities for members; d) consistently achieves quorum and adheres to Indiana's Open Door Law; e) records meeting minutes that are thorough, accurate and transparent; f) regularly conducts a formal evaluation of the school against established academic, financial and operational performance goals; and g) has a written plan for the succession of leadership.

2011-12 Performance: Meets Standard

In 2011-12, the Board at Charles A. Tindley Accelerated School was active, experienced, and provided competent oversight of the school. There was a broad range of expertise on the Board, and Board members were knowledgeable about the school, its policies, and issues of concern. The roles and responsibilities of the Board and its members were clearly defined.

The Board roster for 2011-12 revealed fifteen members with a wide range of expertise drawing from experience in many fields, including finance, law, social services, marketing, education, technology, public relations, human resources management, not-for-profit management, and business.

From the school's inception, the Board has provided the school with leadership and support. The Board engaged in extensive external partnership and fundraising for the school. The roles and responsibilities of the Board were clearly defined. A number of committees were focused on specific tasks and challenges facing the Board: governance, by-laws, finance, nominating, and fund-raising. The Board met regularly and the minutes of the past year's meetings reflected thoughtful discussion and progress in consideration of issues. The Board needed to make some improvements in its public access and proper notification of meetings. Additionally, the board conducts a formal evaluation of the Chancellor and CEO of Ed Power which includes progress toward meeting the operational, financial, and academic goals of the school, however the board will need to progress toward a written plan for succession of leadership. Accordingly, the school board meets the Mayor's standard for this indicator.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2011-12 Performance: Meets Standard

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, 85% of Charles A. Tindley Accelerated School parents reported overall satisfaction with the school. According to the data, the school meets the Mayor's Office standard for performance for this indicator in the 2011-12 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.

2011-12 Performance: Meets Standard

The administration at Charles A. Tindley Accelerated School was strong in its academic and business expertise. The administration included a Chancellor and CEO, Chief Operating Officer, Chief Academic Officer, Director of Instruction, Director of Special Education, Academic Dean, Director of Human Resources, Director of Operations, Director of Accountability, and the school leader. The Chancellor and CEO, and school leader are experienced educators with substantial academic expertise. Under the school's administrative team, the school engaged in a process of continuous improvement. Roles and responsibilities between the administrative team appeared to be clearly defined and understood by all stakeholders.

CTAS has demonstrated high expectations for all stakeholders, has organized operations and resources to effectively implement the mission of the school and to ensure strong performance, and a plan for succession of administrators and staff is implemented at various levels among the administrative team. Therefore, the school meets the Mayor's Office standard for this indicator for 2011-12.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not Evaluated. Charles A. Tindley Accelerated School did not have school-specific organizational and management performance goals to be evaluated for 2011-12.